

Message Text

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ACTION EUR-25

INFO OCT-01 EA-11 IO-14 ISO-00 CIAE-00 COME-00 DODE-00

DOT-00 EB-11 FMC-04 INR-10 NSAE-00 RSC-01 CG-00

COA-02 DLOS-07 SWF-02 L-03 TRSE-00 SS-20 NSC-07 DRC-01

/119 W

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R 201839Z MAY 74

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC 6913

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

USMISSION GENEVA

USMISSION OECD PARIS

AMEMBASSY HAMBURG

AMEMBASSY BERN

AMEMBASSY OSLO

AMEMBASSY STOCKHOLM

AMEMBASSY TOKYO

AMCONSUL ROTTERDAM

LIMITED OFFICIAL USE EC BRUSSELS 3272

E.O. 11652: N/A

TAGS: ETRN, EEC, US

SUBJECT: US LASH/SEABEE OPERATIONS

REF: A) STATE 100608; B) LUXEMBOURG 254; C) EC BRUSSELS 2168;

D) STATE 64138; E) LONDON 4456

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1. SUMMARY: THE MEETING OF MEMBER STATES REFERRED TO IN REFS A AND B, SCHEDULED FOR MAY 8, WAS POSTPONED UNTIL MAY 17. FURTHERMORE, WE HAVE NOW BEEN TOLD THAT THE ISSUE OF TAXATION AND LASH/SEABEE BARGES WAS NOT DISCUSSED AT THE MAY 17 MEETING. ON APRIL 24, WE INFORMALLY PRESENTED TO THE COMMISSION OFFICIALS FOR A SECOND TIME THE ARGUMENTS AGAINST TAXING LASH/SEABEE BARGES AND WE HAVE BEEN PROMISED AN INFORMAL REPLY BY THE END OF THIS MONTH. END SUMMARY.

2. IN RESPONSE TO REFTTEL A, THE MISSION HAS BEEN TOLD BY CONTACTS IN THE GERMAN AND UK PERMANENT REPRESENTATION THAT THE MEETING OF MEMBER STATES ON THE PROPOSED EC INLAND WATERWAY TONNAGE CAPACITY REGULATIONS THAT WAS TO HAVE TAKEN PLACE ON MAY 8 WAS POSTPONED UNTIL MAY 17. AN EC COMMISSION OFFICIAL TOLD US THAT THE QUESTION OF SHIP BORNE BARGES WAS NOT, HOWEVER, RAISED AT THE MAY 17 MEETING. THE MAJOR ISSUE WAS THE GEOGRAPHICAL SCOPE OF THE REGULATIONS.

3. CONTACTS AT THE COMMISSION AND IN THE PERMANENT DELEGATIONS HAVE CONFIRMED THE REPORT OF SEVERAL POSTS THAT IT IS MOST UNLIKELY THAT THE MEMBER STATES WILL REACH AGREEMENT ON THE OVERALL INLAND WATERWAY TONNAGE CAPACITY REGULATIONS THIS YEAR.

4. ACCORDING TO OUR CONTACT IN THE BRITISH DELEGATION, ONE OF THE MAJOR PROBLEMS IS THAT THE GERMANS AND DUTCH WISH TO EXTEND THE REGULATIONS TO WATERWAYS OTHER THAN THE RHINE AND THE FRENCH AND BELGIANS ARE RESISTING. THE LATTER WOULD LIKE TO HAVE SEPARATE REGULATIONS FOR OTHER WATERWAYS. HE ALSO NOTED THAT THE FRENCH ARE NOT EVEN ENTHUSIASTIC ABOUT THE RHINE RIVER SCHEME AND SPECIFICALLY DO NOT WANT IT TO APPLY TO FRENCH BARGES THAT PLY THE FRENCH SIDE OF THE RHINE CARRYING CARGO FROM ONE FRENCH RIVER PORT TO ANOTHER.

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5. HE ALSO MADE THE INTERESTING POINT THAT THE CHRONIC PROBLEM FACING THE EUROPEAN RIVER BARGES IS NOT PRIMARILY THE COMPETITION FROM THE RAILROADS AND THE TRUCKS WHICH CARRY CONTAINERS, BUT RATHER THE DIFFERENT BARGE CAPACITY THAT IS NEEDED ON THE RHINE IN THE WINTER AND SUMMER MONTHS. IN THE SUMMER, WHEN THE RIVER IS LOW, THE BARGES CAN ONLY CARRY PARTIAL LOADS. THEREFORE, FAR MORE OF

THEM ARE NEEDED TO HAUL RIVER-BORNE FREIGHT IN THE SUMMER THAN IN THE WINTER, WHEN A MUCH DEEPER RHINE PERMITS BARGES TO CARRY FULL LOADS.

6. REGARDING REFTEL D, THE MISSION PRESENTED THE ARGUMENTS SPELLED OUT IN THAT MESSAGE TO LOERKE, THE NORTH AMERICAN DESK OFFICER IN THE DIRECTORATE GENERAL FOR EXTERNAL AFFAIRS ON APRIL 24, AND PROVIDED HIM WITH AN INFORMAL PAPER EXPLAINING OUR OBJECTIONS TO THE TAX SCHEME AS IT WOULD EFFECT LASH/SEABEE BARGES, POINTING OUT THE POSSIBLE PROBLEMS THAT COULD ARISE WITH RESPECT TO US SHIPPING LEGISLATION.

7. LOERKE WAS UNABLE TO PROVIDE A SATISFACTORY DESCRIPTION OF THE CURRENT SITUATION NOR RESPOND IN A MEANINGFUL WAY TO OUR ARGUMENTS. HOWEVER, HE DID NOTE THAT THE AUTHORIZATION FOR THE DEVELOPMENT OF A COMMUNITY POLICY ON LAYING UP BARGES AND NEGOTIATING WITH SWITZERLAND WAS BASED ON A RESOLUTION OF THE EC COUNCIL DATED JANUARY 27, 1970. (WE HAVE TRANSMITTED THE RESOLUTION TO THE DEPARTMENT, EUR/RPE, ATT. MEIMA.) LOERKE MADE THE POINT THAT THERE WAS NO DISCRIMINATION AGAINST US FLAG VESSELS AS THE PROPOSED TAX WOULD FALL EQUALLY ON ALL BARGES USING THE INLAND WATERWAYS WITHOUT DISTINCTION BASED ON NATIONALITY. HE DID RECOGNIZE THAT TREATING UNEQUAL THINGS EQUALLY (LASH/SEABEE BARGE AND TRADITIONAL RIVER BARGES) COULD CONSTITUTE A FORM OF DISCRIMINATION.

8. LOERKE HAS CIRCULATED OUR INFORMAL PAPER TO APPROPRIATE EC COMMISSION OFFICIALS. DESPITE A LIMITED OFFICIAL USE

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NUMBER OF SUBSEQUENT REMINDERS TO LOERKE, HE HAS NOT YET GIVEN A DEFINITIVE REACTION TO OUR PAPER. WE ARE NOW PLANNING TO MEET WITH OFFICIALS IN THE TRANSPORTATION DIRECTORATE GENERAL AND THE LEGAL SERVICE AND HAVE BEEN PROMISED A CLEARER RESPONSE TO OUR POSITION BEFORE THE END OF THE MONTH. GREENWALD

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